

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Interview of (b)(6), (b)(7)(C) DWSD

Activity Date:

September 23, 2010

Reporting Official and Date:

(b)(6), (b)(6), (b)(7) RAC

26-SEP-2010, Signed by: (b)(6), (b)(6), RAC

Approving Official and Date:

(b)(6), (b)(7)(C), SAC

28-SEP-2010, Approved by: (b)(6), (b), SAC

SYNOPSIS

09/23/2010 - U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Principal Construction Inspector, Detroit Water and Sewerage Department (DWSD) regarding the Baby Creek Combined Sewer Overflow (CSO) contract known as PC 748.

DETAILS

On September 23, 2010, U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Principal Construction Inspector, Detroit Water and Sewerage Department (DWSD) regarding the Baby Creek Combined Sewer Overflow (CSO) contract known as PC 748. Also present during this interview was Ed (b)(6), (b) Deputy General Counsel, City of Detroit Law Department. (b)(6), (b) was previously interviewed by SA (b)(6), (b)(7) as a part of this investigation. (b)(6), (b) provided the following information:

(b)(6), (b) conducted a search of (b) emails for correspondence regarding PC 748 but did not located any communications. (b)(6), (b) recalled that the DWSD had to supply emails and other documents to Channel 4 and/or Channel 7 in relation to a Freedom of Information Act request a few years ago and thought that those entities would have copies of (b) emails. The FOIA request was for records related to (b)(6), (b)(7)(C) (b)(6), (b) also checked the compact discs he'd maintained from the PC 748 project but they were blank.

(b)(6), (b) recalled that a 72 inch sewer line sheared off of the Baby Creek CSO at some point after the contract was closed. An investigation was done into the failure of the pipe which showed that a depression had formed in the soil underneath the sewer line causing the pipe to bend. Sewage and groundwater had infiltrated and exfiltrated from the pipe. Walbridge was responsible for repairing the pipe and may have called in a new contractor to handle this repair. This contractor could have been DC Beyer. (b)(6), (b) thought that WPM had installed all of the 72 inch lines but was not sure.

(b)(6), (b) explained that (b) had difficulties in getting the assigned DWSD inspectors to write up their inspection reports for the PC 748 project. This was not particular to just this contract but is a systemic problem in the DWSD. (b)(6), (b)(7)(C) (b)(6), (b)(7) and four or five others were the inspectors assigned to this contract. (b)(6), (b) routinely asked the inspectors to document their inspection findings as this helped (b) to resolve problems with the contractors. (b)(6), (b) characterized the Field Services Branch, whom the inspectors work for, as having a lack of training for inspectors.

(b)(6), (b) was not aware of any instances in which Ferguson Enterprises Inc. was not cited for performance issues, allowed to leave demolition debris or concrete in the ground, or otherwise

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treated more favorably than other contractors on the PC 748 project. (b)(6), (b) did recall that (b) deleted from the FEI contract the requirement to remove concrete base mats as they were 35 feet underground and would not interfere with any of the new construction. The deletion of this task resulted in a \$50,000 credit back to the DWSD.

(b)(6), (b) watched the FEI work closely because (b) had heard rumors that (b)(6), (b) got the sub contract due to (b) friendship with Mayor (b)(6), (b) (7)(C) . (b)(6), (b) had DWSD employees follow several FEI trucks to the landfill to ensure they were properly disposing of the soil and debris.

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